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CIA role ruled out in false Libya data

Panel says agency didn't mislead press

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WASHINGTON - The Senate Select Committee on Intelligence has concluded that a Reagan administration campaign to spread "disinformation" about the Libyan leader, Col. Moammar Khadafy, did not involve the Central Intelligence Agency in leaking false stories to American newspapers, a spokesman for the panel said yesterday.

Bernard F. McMahon, committee staff director, said the staff's examination had determined that the CIA had not violated a 1981 executive order that prohibited the agency from influencing "US political processes, public opinion, policies or media." That order was signed by President Reagan.

However, another source on the committee said it would continue to look into the possibility that the State Department and other agencies may have engaged in covert activity by spreading false information as part of the campaign.

On Thursday, The Washington Post reported that Reagan and his key national security advisers had approved of a campaign of deception in August to convince Khadafy that a strong dissident movement was building against him in Libya and that the United States was about to repeat the bombing raid that it staged in Libya in April.

The article, written by the investigative reporter Bob Woodward, quoted a confidential memo from the national security adviser, John Poindexter, to Reagan.

[The New York Times, citing unidentified sources, reported today that the White House had asked the FBI to find the source of the Post's report, as well as the source of a story in The Wall Street Journal that reportedly was generated by the disinformation plan.]

The memo reportedly said that the strategy "combines real and illusory events - through a disinformation program - with the basic goal of making Khadafy think there is a high degree of internal opposition to him within Libya, that his key trusted aides are disloyal, that the US is about to to move against him militarily."

In fact, according to the Post, the Reagan administration was planning no new attack on Libya because it was convinced that Libyan terrorist activity was "temporarily quiescent" and that Khadafy was still in firm control of his country's leadership.

Although Poindexter's plan did not specifically call for leaking

false information to US media, the Post reported that a US State Department planning memo issued a short time later called for "US government backgrounds media on 1, three-ring circus in Libya with infighting among groups jockeying for post-Khadafy era, 2) threat of resurgent terrorism." The plan also called for the CIA to engage in "foreign media placements," the Post reported.

McMahon said the Senate committee's investigation included interviewing several CIA officials. McMahon did not say whether the CIA director, William Casey, was among those interviewed, or whether the CIA had planted false stories about Libya and Khadafy with the foreign press.

President Reagan told reporters yesterday as he was leaving the White House for a weekend in Camp David that his administration "didn't tell any lies" and had not spread any disinformation concerning Libya.

At a press conference on Thursday at the United Nations, however, Secretary of State George P. Shultz appeared to justify using deceptive means to mislead Khadafy. "I know of no decision to have people go out and tell lies," he said. "I think, however, if there are ways to make Khadafy nervous, why shouldn't we?"

"If I were a private citizen reading about it, and I read that my government was trying to confuse somebody who was trying to confuse somebody who was conducting terrorist acts and murdering Americans, I would say, 'Gee, I hope it is true.'" Shultz said.

The House Intelligence Committee is still examining the matter, according to a source. "There is intense interest in this," said one committee source, who asked not to be identified. "Members are asking questions about this, and staff is looking into it as well."

According to federal law, both intelligence committees must be informed of any covert action by US agencies before they take place. The law was enacted after disclosures in the mid-1970s that the CIA and other agencies had engaged in covert action against US citizens.

Since the Post article on Thursday, several congressmen have expressed outrage that the White House may have engaged in the campaign, which may have resulted in a spate of newspaper stories about possible Libyan plans for new terrorist activities.

"I think it was a pretty sad policy, and my only hope is that if it was in effect it didn't last for a very long period," said Sen. William S. Cohen (R-Maine).

"I've always believed that our government told the truth," said Sen. John F. Kerry. "The day our government does resort to lying to its people, I believe we unravel some very basic concepts on which the country was founded."